DOCUMENT RESUME

ED 056 293 AC 012 049

TITLE	Business and Education for World Affairs. A Report of the Business Task Force to the International Education Year Committee of the U.S. National Commission for UNESCO.
INSTITUTION	National Commission for UNESCO, Washington, D.C.
PUB DATE	Sep 71
NOTE	31p.
EDRS PRICE	MF-$0.65 HC-$3.29
DESCRIPTORS	*Business Education; *Cultural Enrichment; Economics; *Improvement Programs; Industry; *International Education; Professional Personnel; *Task Analysis
IDENTIFIERS	United Nations

ABSTRACT

A Business Task Force was appointed by the U.S. National Commission for UNESCO with a specific mission of examining ways in which corporations, collegiate schools of business, and business organizations could most effectively encourage improvement of education, especially programs to prepare businessmen to assume new roles and responsibilities with respect to intercultural relations and international affairs. The Task Force has reviewed trends in world affairs and attempted to appraise the implications these trends have for business and its leaders. This document contains the report and recommendations of the Task Force. (CK)

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Business and Education For World Affairs

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UNITED STATES NATIONAL COMMISSION FOR UNESCO, WASHINGTON, D. C. 20520

DEPARTMENT OF STATE

Washington, D.C. 20520

August 30, 1971

Mr. A. Marvin Braverman
Chairman, U. S. National
Commission for UNESCO
Washington, D. C. 20520

Dear Mr. Braverman:

I have been much impressed by the report of the National Commission's Business Task Force report "Business and Education for World Affairs". It is increasingly clear that the basic patterns and climate of our relations with other countries are shaped and influenced as much or more by private motivations, private interests, and private actions, as they are by government. The rapid expansion of world business, and the evolution of a global system that is socially and economically interdependent, are developments of great promise for the future of our international relations. The educational implications of these developments, examined in this report, are vitally important for all citizens.

I commend these Findings and Recommendations especially to leaders in business, education and government who seek new ways to contribute constructively to our relationships with other countries and cultures.

Sincerely yours,

John Richardson, Jr.
Assistant Secretary for
Educational and Cultural Affairs

ED056293

Business and Education for World Affairs

A Report

of the

Business Task Force

to the

International Education Year Committee

of the

U. S. National Commission For UNESCO*

September, 1971

*United Nations Educational, Scientific & Cultural Organization

FOREWORD

The expansion and adaptation of "world business" presents enlarged opportunities for contact and exchange between the many peoples of the world who are of different cultures and who live in varied economic and political environments. It embraces the opportunity to develop fundamental understandings in a viable atmosphere, and to reduce potential sources of misunderstanding and conflict.

Recognizing that "ignorance of each other's ways and lives has been a common cause . . . of that suspicion and mistrust between the peoples of the world through which their differences have all too often broken into war," UNESCO seeks to advance the mutual understanding of peoples essential to harmonious international relations.

This Report was sponsored by the U. S. National Commission for UNESCO in the belief that we have here a special cooperative opportunity to enhance understanding through mutual interests in world business, thus contributing to the peaceful and productive development of all societies.

We feel that the Recommendations are of sufficient importance to receive the earnest attention of leaders in business and education.

—A Marvin Braverman, Chairman,
U. S. National Commission
for UNESCO

BUSINESS AND EDUCATION FOR WORLD AFFAIRS: A SUMMARY

Highlights of the Report of the Business Task Force
to the International Education Year Committee
of the United States National Commission for UNESCO

The social, environmental, and technical changes with which we are confronted demand that our citizens be educated to live in a world community. This is especially true for future leaders of private enterprise.

The modern corporation—increasingly characterized by multinational ownership and production —is a prime agent of change in the contemporary world.

It is essential that its management possess a perspective which transcends national economies, a sensitivity to foreign cultures and alien environments, and a knowledge of international affairs.

What should be done?

(1) Education for management at all levels—undergraduate, graduate and post-experience—urgently needs to be re-examined to determine to what extent and in what ways the international dimension should be strengthened.

(2) Corporations might well evaluate their recruitment and promotional policies and their executive development programs to determine if, in fact, they are utilizing people who have a knowledge and understanding of world affairs.

(3) The business community might consider increasing its support to educational and other organizations that have demonstrated an interest and capacity to develop and sustain relevant international programs and to engage in significant research.

(4) Schools of management, with the cooperation of the business community, should seek to a) strengthen the international dimension of faculty and curriculum development, b) initiate new research programs, c) improve programs of faculty and student exchange, d) strengthen and increase technical assistance to n. .nagement education programs abroad, and 5) improve programs of continuing education and post-experience training for internatoinal executives and overseas personnel.

UNITED STATES NATIONAL COMMISSION FOR UNESCO, WASHINGTON, D. C. 20520

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INTRODUCTION

During 1970, designated by the General Assembly of the United Nations as *International Education Year,* the United States National Commission for UNESCO—through a special IEY Project—sought to stimulate an evaluation of the educational prerequisites for citizenship in a global society.

To this end, a Business Task Force was appointed with the specific mission of examining ways in which corporations, collegiate schools of business, and business organizations could most effectively encourage improvement of education, especially programs to prepare businessmen to assume new roles and responsibilities with respect to intercultural relations and international affairs.

The Task Force has reviewed trends in world affairs and attempted to appraise the implications these trends have for business and its leaders.

In addition the Task Force has sought to define the significant issues for world business that require study, to determine to what extent existing programs of management education and research recognize these issues, and to make appropriate recommendations.

The work of the Task Force was enhanced by the contributions of a distinguished group of businessmen, educators, and government officials at a special consultation, convened at Williamsburg, Virginia, February 10-12, 1971.* The initial conclusions of the Task Force were reviewed in stimulating discussions at this consultation and a substantial number of the suggestions subsequently were incorporated into the report.

Because the focus of the Task Force was international, its report and recommendations will be of importance to educators, businessmen, students, and other citizens who are concerned with international trade and economics and the management of multinational institutions.

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* For names of participants see addenda

PART 1

The Changing World

Never in the course of human history has change been so pervasive and so consistant than in the 20th Century. The causes of change are more readily perceived than the results. The dramatic increase in knowledge in this period, especially in the physical sciences, coupled with man's growing capabilities in engineering and technology, are at the core of the revolutionary century.

The diminishing of physical space, illustrated vividly by the view of the planet Earth from the perspective of the moon, has contributed to a new self-image by man of the world and his place in it. The rhetoric of world community, so prevalent in the 1950s and 1960s, has gained substance as we have begun to perceive and define the interdependence of the biological and social systems of the Earth. New knowledge and new technology span the traditional boundaries of our past, and now they have carried us beyond the boundaries of our planet.

Institutions vary in their awareness of and responses to the new perception of world community. For example, one of the great legacies of population growth, technological advance, and economic progress is pollution of the environment, yet only recently have public and private agencies on local, regional, national and international levels begun to define and attack the spoilage of the air, the land, and the sea.

And the disagreements over what constitutes a polluted environment illustrate a new kind of gulf that has emerged even as the volume and speed of communications have made the world smaller. Industrial nations perceive a necessity to clean up the carnage of their processes of production, while some developing nations are dismayed at what appears to them to be another attempt to curtail their industrial growth.

The economic needs and demands of the developing nations are also critical and seemingly intractable, especially when one considers their aspirations. In his "Challenge of World Poverty," Gunnar Myrdal makes the point that unless the political and economic framework of these countries is changed, the irruption into the traditional societies of modern techniques, giving superior material standards and material power, will likely cause vast convulsions and bloody revolution. The gap between the rich and the poor and the impact of technological change in more traditional societies, raises a host of questions on the social impact of investment policies that deserve utmost attention.

Traditional institutions have also failed to achieve a more peaceful globe. As Lester B. Pearson has observed, "the world has become a single unit without a workable design for durable peace." The accomplishment of world order is imperative and will continue to be the primary necessity of all institutions.

Business institutions are increasingly attentive to these trends. The public is becoming more sensitive to corporate contributions to society as well as to the obligations of business in the marketplace. In addition to facing aspirations for more goods and better services, businesses are increasingly approaching the social problems that surround them in terms of long term benefits as well as in terms of short run costs. Corporate strategies should also recognize the special aspirations and development problems of the new countries. Cultural differences should be understood and accepted and economic power should be exercised with restraint and sensitivity. In addition, corporations seem to be focusing more on the desire of workers for "creative" and "socially useful" employment.

With knowledge rapidly becoming a most

important resource, in poor as well as rich nations, the thirst for better education is virtually unquenchable. The same perspectives on interdependence that are being brought to bear on political and economic institutions are thus also implicit in education.

In the short term, complex forces of national politics seem to be impeding the creation of world community. Some observers, for example, note that economic nationalism and neo-isolationism are prevalent today. Nevertheless, the longer term economic and technological forces are moving toward integration and interdependence. The existence of these forces can be denied, but this could lead to pain and disaster. The proper goal is to find ways in which institutions can be modified or created to achieve a degree of human unity without destroying the values and richness and the freedom of a pluralistic society. In the context of a global society, Eric Larrabee has summarized the significant imperative for colleges and universities when he said that "a graduate without a world perspective on his profession has not been properly trained." This will be the most profound challenge of education in the 1970s.

PART II

Business Leadership In A Global Society

Increasing economic integration has been a distinct and pervasive trend, especially among the industrialized nations, since World War II. In Richard Cooper's phrase, business decision domains are increasingly spanning national boundaries.

One of the carriers of change is the multinational corporation, sometimes referred to as the transnational or supranational corporation. These institutions are characterized by John McHale, of the State University of New York at Binghamton, as "unprecedented by virtue of their size, global-diffused production, and relative autonomy from constraining national boundaries. They may typically use the capital of several nations, the territory of another group, and the labor force of many more." Arthur Barber adds: "They have international staff, international funding, international community networks and—in the computer—even an international language." Jacques Maisonrouge, President of IBM World Trade Corporation, lists four criteria for multinationality. The firm: (1) does business in many countries at different states of economic development; (2) has some subsidiaries that are fully integrated companies; (3) has a multinational management; (4) has multinational stock ownership.

Multinational corporations evolved through the postwar planning that viewed the economy of the free world as a whole and then tried to find the place where economic resources produce the greatest results and bring the highest returns.

The distinction between "multinational" and "American" is becoming blurred in much the same way that differences between "domestic" and "international" organizational structures within firms are dissolving. The interests of the business are increasingly expressed in terms of a product or a market that are not coterminous with a set of national boundaries, as Raymond Vernon has observed, with the result that while many enterprises are thought of as U.S. owned, their identity is likely to become more and more ambiguous in national terms.

FORTUNE Magazine has launched a regular "Multinational Report," with the statement that "we now know that growth anywhere in a responsible 'one world' atmosphere is mutually reinforcing, creating new markets, new opportunities, and new levels of well-being for all those peoples, nations, and corporations involved in multinational development."

Along these lines, Judd Polk, of the United States Council of the International Chamber of Commerce, said "the international company itself is a reflection rather than a source of a new phenomenon, namely the internationalization of production. The state of industrial technology—and very much including instantaneous world electronic communication and computers—has created the situation in which for the first time men have been in a position to treat the world itself as the basic economic unit in pursuing that core economic problem: making the best use of its resources." Indeed, Polk has introduced the concept of a "Gross World Product" (GWP) for this global economic unit.

Clearly, governments alone have been unable to respond effectively to the development requirements and aspirations of the world. Multinational business managers should therefore be sensitive and imaginative in sharing with governments the stimulation of investment and the development of human resources in all nations.

Increasingly, the men and women who exercise this business and social leadership through multinational management will be constrained to reflect a "geocentric" approach

to their mission. Howard V. Perlmutter of the Wharton School of the University of Pennsylvania has broken down the social architecture of multinational corporations into three states of attitude: (1) ethnocentric, or home-country oriented; (2) polycentric, or host-country oriented; and (3) geocentric, or world oriented. At its heart, geocentrism does not equate superiority with nationality. Managers with this view seek the best men, regardless of nationality, to solve the company's problems anywhere in the world. The ultimate goal is a worldwide approach in both headquarters and affiliates. John S. Walter of the Business Council for International Understanding (BCIU) sees the global approach as requiring executives and wives who are effective in multicultural organizations. Perlmutter summed the process in quoting a Unilever executive's objective: "We want to Unileverize our Indians and Indianize our Unileverians."

The supranational economic structures with their multicultural states of mind suggest a new and different kind of leadership and the administration required for the management of these new institutions may very likely become the dominant model by which the work of managing will be measured. It is here that relevant education for the managers of business institutions assumes paramount importance.

PART III

Programs For Preparing Leaders For World Business

The advent of the multinational corporation is creating new and diverse demands for educating multinational managers. A few universities, corporations, associations, and consulting groups provide service in this area.

Prior to the mid-1950s the curriculum of schools of business in the United States was heavily parochial and for the most part reflected a "Case Study, U.S.A." syndrome. International economics was about the only course available on non-national matters. Gradually they have introduced international survey courses, followed by area and comparative studies in business and economics. In most cases these offerings came as components of the traditional functional areas such as marketing. Few schools offered a separate international business curriculum.

In the early 1960s New York University pioneered with the combined major approach to international business and others have followed, but the functional field has remained the center of gravity itself. In responding to the "global marketplace," most schools have sought to build up the international emphasis in typically functional areas. Thus "international business" is all too often a hybrid of the traditional disciplines. In short, the business schools have for the most part been slow to adapt to the changing patterns of world business and to meet the needs of multinational education.

Nor is the "more of the same" approach through functional disciplines acceptable to students. Minos D. Generales, Director of the Institute of World Affairs at San Diego State College, says that "the average student today does not look upon world affairs as a compartmentalized area separate from his personal considerations. The international character of student restlessness attests to this. There has been increasing personal identification with international issues over the past five years with the result that the student is no longer satisfied with theoretical academic associations of broad international political patterns, but demands more highly sophisticated analysis when he realizes our complex socio-political situation."

A number of schools of business have made considerable strides in developing special or general programs of a multinational character. Examples of special programs include: The International Center for the Advancement of Management Education (ICAME) of Stanford University, for its programs of bringing foreign nationals to this country for study; the Graduate School of Business at Indiana University, for its commitment to research in international business; the Graduate School of Business at the University of Chicago, for its pilot three-year Masters of Business Administration program including one year at a school abroad; Harvard Business School, for its study of the multinational enterprise and the nation-state; Massachusetts Institute of Technology's Sloan School of Management, for its broad approach to environmental factors supplemented by field trips to Europe in the Sloan Fellows Program; Columbia University's Graduate School of Business for its "Journal of World Business"; Georgia State University's School of Business Administration, for its graduate programs in international education and attention to foreign students, especially from Latin America; the Business Council for International Understanding's consortium of educational, business and governmental institutions developed at American University; and the University of Washington Graduate School of Business Administration, for its Far Eastern programs. These are illustrative of some of the promising approaches that have been employed. In addition, many

schools have launched foreign study centers abroad. Also, individual faculty members have worked to improve research and curriculum development through the Association for Education in International Business.

Most corporations have been slow in encouraging international education for their multinational managers. Although the phenomenon of multinational business is not new, the requirements for its leadership are still not clearly understood, research has been most inadequate and the pressures of day-to-day business have received priority. As a result, such education has been neglected, or has not received adequate attention.

There are, however, several examples of types of programs employed by corporations. General Electric and IBM include as an integral part of their regular training for upper management, group programs including a comprehensive review of world events, the role of multinational corporations and the importance of a world perspective. Westinghouse Corporation sponsored a program for two years with the University of Pittsburgh emphasizing interpersonal and intercultural experiences to help select executives for general assignments abroad.

A few institutions outside corporate structures devote themselves to the enhancement of educating multinational manage.. In the United States, for example, for executives there are the BCIU-American University program which specializes in multi-cultural education, the international conferences on business of the Stanford Research Institute, and the seminars of the Council for International Progress in Management (CIPM). For students there is the Thunderbird Graduate School of International Management in Arizona sponsored by the American Management Association (AMA).

It should be noted that a number of corporations provide grants for foreign students including GE, Chrysler, Xerox, Shell, and Esso Standard Libya, Inc.. Corporations have also contributed to the programs of the Fund for Multinational Management Education (FMME) which is especially interested in management education and business school development in Latin America, but probably the most important stimulus for educating multinational managers and for research in international business has come from the Ford Foundation, which has supported many institutions and programs in this area in the United States and overseas and has also financed innovative scholarship and fellowship programs.

There are also some significant programs in western Europe. Pioneers in education for multinational business there were the international management institutes such as Institut pour l'Etude des Methodes de Direction d'Entreprise (IMEDE), sponsored by the Nestle Alimentana Foundation under the patronage of the University of Lausanne; Centre d'Etudes Industrielles de Geneve (CEI), sponsored by Alcan; and Institut Europeen d'Administration des Affaires (INSEAD), a study center at Fontainebleau, France. There is also the middle management course at the Instituto de Estudios Superiores de la Empresa (ESEI), at Barcelona, and the International Labor Organization practical training programs at Turin for middle level managers from Africa and Asia.

Other types of programs provide for on-the-job, practical training in cooperation with industry, educational institutions, and students. The most prominent multinational private agencies in this field are the International Association for the Exchange of Students for Technical Experience (IAESTE) and the Association Internationale des Etudiants en Sciences Economiques et Commerciales (AIESEC).

The United Nations and many of its affiliated bodies, such as UNESCO, United Nations Industrial Development Organization (UNIDO), and Food and Agriculture Organization (FAO), also operate extensive practical training programs. A blending of private and UN agency concern is represented by the current joint effort to expand training opportunities in hydrology and water resources being undertaken by IAESTE/US and the U.S. National Committee for the International Hydrological Decade (US/IHD) which is a multi-

national program among 105 countries being coordinated by UNESCO.

The need for more attention to and greater response for intercultural education for managers is obvious and accelerating. This is education not for the narrow specialist but for the "global manager," and its content must become, as Eric Larrabee suggests, part of the equipment of any professional manager—no matter what the size, type or geographical location of his enterprise. We have a long way to go beyond the few programs now in existence. This is a challenge for scholarship in terms of both quality and quantity, beginning with accelerated research and leading to the implementation of new programs.

PART IV

Groundwork For The Future

The multinational corporation is a relatively new phenomenon and because of its complexity is imperfectly understood. This new and evolving institution deserves more than the hybrid and often haphazard scholarship it has received. The Committee on the Professional School and World Affairs stated the situation bluntly: "Less has been done to point the direction in research than in any other facet of education for international business."

The evolution of multinational corporations raises many issues requiring earnest attention from students of international business. These include such matters as cultural patterns, national sovereignty, international law, monetary systems, security ownership and trading, banking, taxation and regulatory controls. These and other issues require earnest attention from experts who can synthesize their disciplines.

Broad questions that graduate courses, as well as continuing education courses, should attempt to consider are:

—What does the international representative need to learn that will enable him to apply his professional or technical competence acceptably and successfully in environments that are strange to him?

—How can he best be helped to understand himself and his country and countrymen in world perspective—as a prerequisite to the study of other countries and peoples so that he may work more successfully with them?

—How can the needed knowledge most effectively be transferred to him?

—How can he—and, more important, his employing organization—be convinced that this kind of learning is also important and relevant to their business, along with his professional competencies or his administrative and technical skills?

Our dramatically expanding technology and its influence abroad can gain from better communication and exchange. Existing courses illuminate the field only partially, sometimes with little cumulative effect on the participant. A series of seasoned professional instructors each seeks to bring to bear his own expertise as an historian, social scientist, political scientist, anthropologist, communications expert, professional diplomat, etc.

But little effort has yet been made to synthesize these different, sometimes conflicting disciplines into a more successfully coordinated approach to area studies, including study of our own national character. An interdisciplinary symposium might be a first step toward a better definition of research areas for more intensive exploration.

In addition to the general categories for research, specific examples of subjects for research might include:*

—History of relations between multinational firms and host countries

—Simulation of international business operations

—Organization structuring by area, product, function and clientele

—Multinational attitudes toward tariffs and other trade restrictions

—Evolution of marketing institutions

—A broad study of medium-sized firms in international business

—Compensation of overseas executives

—Application of operations research techniques to international business research

* These categories and specific topics for study are drawn from "International Business Research—Past, Present, and Future," by Lee C. Nehrt, J. Frederick Truitt, and Richard W. Wright, published by the Bureau of Business Research, Graduate School of Business, Indiana University. This work is a major source for research topics on the multinational firm and international business.

The Task Force on Business Administration and Public Administration sponsored by Education and World Affairs (EWA) surveyed the relationship between professional schools and international affairs from 1965 to 1967. It concluded that the schools had failed to face fully the international aspects of their professional responsibilities, that they had defined professional competence too narrowly and that, as a result, most of their graduates were not adequately equipped to perform the leadership roles necessary for the tasks of major multinational institutions.

The problem persists. The Task Force concluded that the extent to which some formal structure of international business education could be developed would depend in large part on the scope and perception of comparative research studies. It is time for the professional schools to once again seek ways to expand into this field through basic research, curriculum revision, student exchanges, technical assistance and continuing education programs.

In his "Internationalizing the Traditional Business Curriculum," Schuyler F. Otteson of Indiana University says:

"*Schools of business* should capture the opportunity of playing a leadership role in the business community. In doing so, they should be innovators and inventors, not mere reactors. A modern business school requires continual reassessment of all aspects of its activities and surely the international aspects are no exception.

"For the most part, the developments in recent years along international lines have occurred haphazardly and often without a logical base. It is time now to assess the *substance* of courses, *competence* of faculty, and *quality* of research and publication. Before more new courses are created, it should be ascertained that there is both need for them and academic substance to them. The same test is appropriate for courses already in the curriculum. In considering needs, the overriding consideration would be the objectives of the school's educational program."

Even as the universities must accelerate the process of comprehending the many facets of multinational business, so too must the corporations engage in more research and experimentation in educating the multinational manager. This should begin with evaluation of present programs and experiments with particular attention to cross-cultural orientation. Firms would benefit from study of the relationships between the development of "geocentric men" and their current policies of management selection and promotion, individual career planning, mobility demands and opportunities. The in-house educational program must reinforce corporate practices and policies while providing opportunities for the introduction of new ideas into the system. Unless there is a substantial degree of congruence between the two, the values represented in the educational effort will lose much of their force and influence.

Thus, through research and experimentation, both the universities and the corporations must strive to comprehend the nature of the changing world, to isolate and define the issues generated by change, and finally, to devise the appropriate education for the modern manager.

V

PART

Conclusions And Recommendations

CONCLUSIONS AND RECOMMENDATIONS

The social, environmental, and technological changes with which we are confronted demand that people be educated to live in a world community. Our principal problems are no longer isolated.

Nowhere is this more obvious than in trade among nations, where research, development and production have been leaping over the traditional boundaries of economic, political and cultural geography, creating impetus for interdependence and integration.

As a prime agent of change, the multinational corporation has brought a new profoundly important influence to bear in world affairs.

The management of these corporations as well as of other large economic enterprises, public or private, will benefit from a perspective which transcends national economies, as well as a knowledge and understanding of intercultural and international affairs.

Young people should appreciate early in their education the importance of such knowledge and understanding, in whatever career they choose to pursue.

Education for management at all levels—undergraduate, graduate, and post-experience—needs to be reexamined to determine to what extent and in what ways international and global considerations should be introduced and furthermore, to determine the relative contributions of the business faculties and other departments of the university as well as management institutes and other managerial enterprises.

Corporations, public or private, might well evalute their recruitment policies, their organizational development programs, their promotional policies, and other policies, to determine if, *in fact,* they do utilize people who have a knowledge and understanding of world affairs.

Private corporations should assume the responsibility for providing more substantial financial help and other support to educational and other organizations that have demonstrated an interest and capacity to develop and sustain relevant programs and to engage in significant research. Also, corporations should seek to develop other sustaining cooperative relationships with such schools and organizations.

Specifically, the Business Task Force recommends the following:

1. The business community should continue to provide financial and other facilitative support to educational institutions and centers, both in the United States and abroad, which have begun or desire to begin to internationalize their programs, including:
   - —Planning studies to determine (a) appropriate program objectives, (b) the resources required, and (c) a budget for implementation, desirable for a minimum period of five years;
   - —The support of professorships of international studies which are pertinent to business operations in the United States and overseas;
   - —Specific programs of curriculum revision, development and experimentation devoted to international matters, including studies in comparative management;
   - —New approaches to teaching and learning that may increase the sensitivity of students and employees to individual and cultural differences;
   - —University centers and special consortia for research and experimentation in international studies to provide for the better utilization of existing

resources such as faculty and libraries in areas of world business and education;

—Programs of demonstrated value for the exchange of faculty members between the United States and institutions abroad and for managers of private and public organizations to serve as "executives-in-residence";

—International practical training programs such as those sponsored by IAESTE, AIESEC, and various agencies of the United Nations, including UNDP, UNIDO, ILO, FAO, and UNESCO;

—Foreign student exchange programs such as those sponsored and/or administered by the Institute of International Education and kindred organizations.

2. Cooperation between the business community and business schools should be improved to:

—Focus educational resources and programs more deliberately on the changing requirements of corporate international management;

—Identify problems for study and research, and to stimulate new research that is specifically relevant to the problems of global management and international business operations;

—Further the exchange of appropriate data in order to assist the effort of scholars who are engaged in such research;

—Provide more consultative opportunities for faculty members, especially in those areas where international or intercultural factors are especially significant in the determination of corporate policy and strategy or in operations.

3. Corporations with extensive international operations, in addition to establishing and maintaining their own national and regional centers, should enlarge their support of and participation in:

—New and existing institutions which serve the worldwide needs and interests of managers of modern global business organizations, such as BCIU, FMME, IMEDE, CEI, and INSEAD;

—Transnational, regional and/or local centers of management education.*

4. Since the worldwide business community has a fundamental and continuing interest in social and economic development, increased attention and additional aid should be given to the transfer and interchange of technical and managerial skills. In particular, it is recommended that:

—Corporations doing business in developing nations cooperate with appropriate government agencies and the private sector in support of human resource development at all levels, and especially in the development of middle and upper level manpower, including management training programs.**

—Business and trade associations should become more directly involved with major international agencies to help them develop realistic programs and services to further global develop-

*Prerequisites for these programs should be: (1) to make management education and manpower needs known and to emphasize that managers must prepare for work and living in more than one country; (2) to offer systematic support to programs that are compatible with multinational business requirements; (3) to arrange for the active participation of management in selected programs; and (4) to recruit systematically from such centers as further demonstration of support. This model is based on the proposals made by Terence Cullinan, manpower economist of the Stanford Research Institute, for management education and recruitment in Latin America. He says, "the multinational approach will be used to strengthen each center's basic technological resources, but each will develop and emphasize an individual application of those techniques that is consistent with the environmental differences existing within Latin America." This model could be applied to other countries and regions of the world.

**The Advisory Committee on Private Enterprise and Foreign Aid of the Agency for International Development noted that "men skilled in the technical and managerial fields are in chronic short supply in the less developed countries" and that "much more attention and resources are needed for planning and execution of educational programs."

ment. Cooperation is especially encouraged with agencies such as: OECD, The World Bank, The Inter-American Development Bank, The Asian and African Development Bank, and agencies of the UN.

Finally, the Task Force recommends to the U.S. National Commission for UNESCO that it seek the cooperation of past and present member organizations, representing business interests, and of other educational organizations and institutions, to assist in the dissemination and implementation of these proposals.

ADDENDA

A. RESERVATIONS AND OBSERVATIONS

The Report of the Business Task Force was revised, subsequent to the Williamsburg Consultation, to reflect what seemed to be the views of the majority of participants in that meeting. However, some participants might have preferred more extensive revision. The following Reservations and Observations reflect their views:

1. Insofar as it implies that the evolution of multinational business is an unconditionally positive and relatively uncomplicated phenomenon, the rationale of the Report is a little too grandiose. There is a danger that we will view the multinational corporation unrealistically, seeing it as "the answer" to all of the ills of the world. It is precarious, and perhaps presumptuous, to set our sights too high. While the trend toward globally diffused ownership and production facilities cannot be denied, this does not necessarily imply "a global society" in which national sovereignties are readily subordinated to the interests of a world community. A more modest and sophisticated rationale, emphasizing "partnership" and "joint venture," is more in accord with the realities of contemporary foreign relations and international business.
2. The matter of corporate "social responsibility" is by no means as simple as the Report implies. Where it is suggested that the business corporation has an "obligation" or confronts an unqualified "imperative" to contribute leadership, expertise, and other resources for the improvement of the larger community, the Report is objectionable. To be sure, it is in the interests of "good business" —i.e. sound business practice—to be sensitive and responsive to the communities and cultural milieus (the total social environment) in which it operates. Moreover, business has an obvious stake in the quality and scope of education, available to its present and future leaders and employees. In short, the business community is interested, above all, in orderly and peaceful social and economic development. This can only be achieved, however, by harmonizing the interests and contributions of all social institutions—corporations, schools, and government, etc. Social progress is contingent on cooperation and reciprocal obligations, not simply on the initiatives and contributions of private enterprise.

   With respect to the "contributions" of multinational firms, particularly in the less developed nations, a further qualification is in order. In some instances, it may be inappropriate for the firm to play too large or visible a role with respect to education and community development. A policy of "low visibility" may be more prudent in order to guard against suspicions that the firm is seeking to dominate or to subtly exploit the community.
3. The emphasis on the need for research and experimentation in the Report's recommendations tends to obscure present achievements and resources. Rather than new research and innovation, the present need is for a) improved access to and dissemination of research findings, b) greater practicality in applying present resources and tested techniques

in management education. In short, the Report emphasizes what we need to do, at the expense of highlighting those resources that are presently available to us for the improvement of management education.

4. Whereas a significant number of business leaders receive no formal education in schools of business and management, but rather are formally educated as engineers, political scientists, economists, etc., the Report might have given greater emphasis to the role of other schools and departments of our universities in developing global perspectives and intercultural aptitudes. Indeed in the absence of an undergraduate program that is changed and enriched with respect to its international dimension and attention to global problems, business schools cannot be expected to meet the educational requirements of the global manager. In short, the Report places too much emphasis on "management education" and not enough on those educational prerequisites applicable to all citizens who are to assume responsibility and leadership in a global society.
5. Despite its "global perspective," the Report is largely "domestic" in its conclusions and recommendations. Far more attention might have been given to the transfer of management skills and techniques to the less developed countries and to the education and training of business leaders, indigenous to those societies.

B. RECOMMENDATIONS

Most of the recommendations and suggestions, developed at the Williamsburg consultation, were incorporated in the revision of the Task Force Report. The following, however, are recorded as addenda, since to include them would have required altering the focus and enlarging the scope of the Report.

I. Whereas a large number of schools, organizations, international agencies, and corporations are presently concerned to advance and to improve global managerial skills, and whereas their efforts are largely undertaken in the absence of guidelines and coordination, it is recommended that a major research project be financed and undertaken to

a) articulate guidelines and priorities for better dissemination of improved management techniques, with special reference to the less developed countries;

b) identify and describe specific financial mechanisms, required for the effective dissemination of these management techniques;

c) discover the best means of maximizing the use of personnel, agencies and other resources that are presently available in both the public and private sectors.

Specifically, the following suggestions and considerations deserve the attention of all who are concerned with the worldwide advancement and improvement of managerial skills:

> . . . Programs of skill transfer should provide for combined formal and informal modes of education, utilizing both in supplementary and complementary manner available personnel and facilities, in accordance with the needs and resources of a particular locale.
>
> . . . Management education of students from underdeveloped areas will differ in some respects from the best preparation of management-oriented students native to highly-sophisticated environments. These differences—reflected in choices for curricular and experience exposures —should not alter, however, the teaching of the fundamental functional core subjects of management.
>
> . . . Institutions, agencies, and other organizations chartered, financed, or otherwise directed from highly industrialized nations, or those that are international public bodies,

should always seek, as basic operational policy, to maximize native or indigenous leadership and other identification.

. . . In underdeveloped countries, local priorities determined by a balanced study of physical and human resources and the country's history and posture, should guide management training efforts.

. . . Regional cooperation and interchange between local centers for management education should be encouraged.

. . . A greater volume of financial assistance and non-financial operational aid should flow through effective regional and transnational public and private organizations than in the past.

. . . International business subsidiaries should be encouraged to provide financial and operational aid, either directly or indirectly, to business schools and management education centers in those overseas locales where they operate.

. . . Corporations should be acquainted with UNESCO and other multinational agencies and, specifically, should be encouraged to explore opportunities for cooperating in international management training through UNESCO's Funds in Trust program.

. . . Corporations might be encouraged to stimulate faculty exchange programs, specifically by providing funds to meet the major problem of salary differentials which presently prevents many business school faculty from accepting assignments abroad.

. . . An International Professors Service Corps, to utilize the talents of selected retired U.S. business professors should be instituted to strengthen business education in developing countries.

. . . More international conferences concerned with major world business problems and designed also to stimulate improved skill transference and interchange should be convened. In particular, increased conference attention should be given to the concept of "social responsibility" as applicable to the multinational corporation.

II. Whereas there is presently no means of assuring continuing attention to the report of the Business Task Force, and whereas a specific mechanism is required to marshal resources for implementation, it is recommended that the U.S. National Commission for UNESCO sponsor the formation of an Interim Planning Committee to

A) disseminate the revised Report of the Business Task Force

B) locate and/or institute appropriate organizational mechanisms for implementing the Report's recommendations.

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ABBREVIATIONS

AIESEC	Association Internationale des Etudiants en Sciences Economiques et Commerciales
AMA	American Management Association
BCIU	Business Council for International Understanding
CEI	Centre d'Etudes Industrielles de Geneve
CIPM	Council for International Progress in Management
ESEI	Instituto de Estudios Superiores de la Empresa
EWA	Education and World Affairs (now the International Council for Educational Development)
FAO	Food and Agriculture Organization of the United Nations
FMME	Fund for Multinational Management Education
IAESTE/US	International Association for the Exchange of Students for Technical Experience/United States
ICAME	International Center for the Advancement of Management Education, Stanford University
ILO	International Labor Organization
IMEDE	Institut pour l'Etude des Methodes de Direction d'Enterprise
INSEAD	Institut Europeen d'Administration des Affaires
OECD	The Organization for Economic Cooperation and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
US/IHD	United States National Committee for the International Hydrological Decade

BIBLIOGRAPHICAL NOTE

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This Report is a timely contribution to our thinking about the content and aims of education—particularly the international dimension of education. The Business Task Force has admirably focused attention on the educational prerequisites for leadership in the global society of the Seventies. It is alarming to consider that, at the very time when needs and opportunities are most apparent, support for international education is declining. I urgently commend the findings of this Report to businessmen, educators, foundation executives and government officials in the hope that it will stimullate new cooperative efforts to assure that tomorrow's citizens possess the intercultural sensitivities and knowledge of other countries, so essential for survival.

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